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AZ CORP COMMISSION
DOCKET CONTROL

April 1, 2009

Arizona Corporation Commission
DOCKETED

APR -1 2009

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Lawrence V. Robertson, Jr.
P. O. Box 1448
Tubac, Arizona 85646

RE: Diablo Village Water Company and Thim Utility Co. – Joint Application for authorization to sale and transfer of water system assets to Metropolitan Domestic Water Improvement District and cancellation of their respective Certificates of Convenience and Necessity Docket Nos. W-02309A-09-0095 and W-03293A-09-0095
INSUFFICIENCY LETTER

Dear Mr. Robertson:

In reference to the above mentioned application filed on March 2, 2009, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide the name, address, and telephone number of Metropolitan Domestic Water Improvement District's Representative.
2. Please provide a copy of the most recent Letter of Good Standing issued by the Corporations Division of the Arizona Corporation Commission to Diablo Village Water Company.
3. Please provide a copy of the most recent Letter of Good Standing issued by the Corporations Division of the Arizona Corporation Commission to Thim Utility Co.
4. Describe any change to the operation and maintenance of the system that will occur if the proposed transfer is approved. Please be sure to discuss whether or not the nine (9) full and part-time employees of Diablo Village Water Company and Thim Utility Co. ("Applicants") would be retained.
5. Provide a complete listing of the Applicants' assets or direct Staff to where the list of assets can be found in the agreement. If you are providing a list, please indicate those assets if there are any that would not be transferred to Metropolitan Domestic Water Improvement District. Please note that Exhibit H – Bill of Sale is blank.
6. According to the Application, Thim Utility Co. "owns a portion of the water system assets which comprise the Three Points water system." Please provide the Company's name that operates the Three Points water systems.

7. According to the Agreement, the Seller will be responsible for refunding all customer deposit and "meter deposits". Does the phrase "meter deposits" mean "refunds due on meter and service line installation"? If not, are there any refunds due on meter and service line installations? If yes, please explain the proposed disposition of refunds.
8. Has a Notice of the Application been sent to the affected customers? If so, please file a copy in the docket. If not, when will the Applicants send a Notice of the Application to the affected customers? Please explain.
9. According to the Drinking Water Compliance Status Report, dated March 20, 2009, Diablo Village Water Company has major deficiencies and does not meet the ADEQ Water Quality Standards. Please provide Staff documentations showing that ADEQ's Water Quality concerns have been resolved.

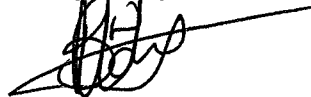
Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Please file your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Dorothy Hains at 602-542-7274.

Very truly yours,



Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Connie Walczak